

THEORY & PRACTICE



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WHAT IS DRIVING ASSET MANAGEMENT?

- ✓ Legislative initiatives on "performance"
- ✓ Aging infrastructure and mature systems
- ✓ Public expectations
- ✓ Changes in leadership philosophy
- ✓ Advanced management systems and improved technology

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GOALS OF ASSET MANAGEMENT

- ✓ Build, preserve, and operate assets cost-effectively with improved performance
- ✓ Deliver to customers the best value for the dollars spent
- ✓ Enhance credibility and accountability

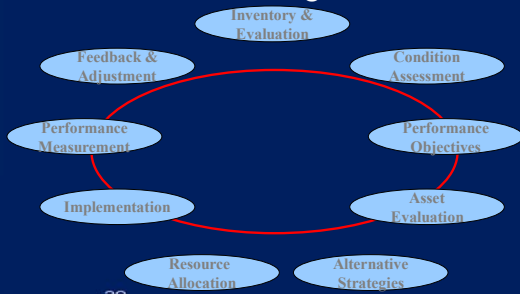
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ASSET MANAGEMENT

- ✓ A strategic approach to managing our infrastructure
 - Quality Performance
 - Continuous Improvement
- ✓ Investing wisely
- ✓ Data are "corporate assets"

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Major Elements of Asset Management



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CONSISTS OF:

- ✓ Thinking long-term rather than immediate need
- ✓ Continuous system performance assessment
- ✓ Collecting appropriate data
- ✓ Using technology and analytical tools
- ✓ Monitoring results

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CRITICAL ELEMENTS

- ✓ Consider a range of alternatives in addressing problems and needs
- ✓ Procedures and evaluation criteria are consistent and reinforce policy goals and objectives
- ✓ Decisions based on relative merit and an understanding of comparative costs and consequences
- ✓ View the system as a whole not individual parts
- ✓ Investing wisely

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POLICY GOALS & OBJECTIVES

- ✓ Reflect a comprehensive, long-term view of asset performance and cost
- ✓ Development of a strategic plan
- ✓ Managing for results
- ✓ Focus on performance

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INFORMATION & DATA

- ✓ Maintain high-quality information that supports asset management and business process
- ✓ Collect and update data cost-effectively
- ✓ Data viewed as "corporate asset"
- ✓ Information automated and accessible to all parties
 - GIS Framework Project
 - Global Positioning Satellite (GPS)

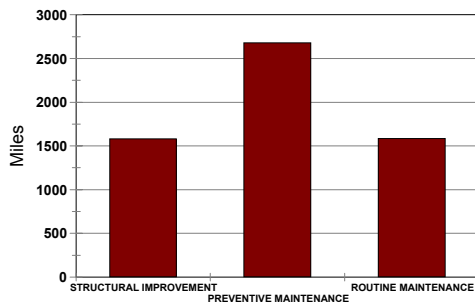
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ALTERNATIVE ANALYSES

- ✓ Strategic rather than tactical
- ✓ Decisions made with regard to the long-range condition of the entire system
- ✓ Assessing improvements based on desired outcomes
- ✓ Tools

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2001-2002 PAVEMENT CONDITION



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PROGRAM DELIVERY

- ✓ Consider all available program delivery methods
 - Cost tracking
 - Options for delivery
- ✓ Track program output and outcomes
 - Feedback mechanism
 - Change process
- ✓ Communicate and apply outcomes internally and externally
- ✓ Deliver the approved program
 - Delivery measures
 - Change management

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MONITORING & REPORTING

- ✓ Monitoring directly relates to selected performance measures
- ✓ Provide feedback on whether the activities undertaken are moving you toward achieving your goals and objectives
- ✓ Analysis feeds into the next round of proposed projects

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WHAT'S DIFFERENT?

- | | |
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| <ul style="list-style-type: none">• OLD PROCESS✓ Tactical✓ Reactive✓ Compartmental & Piecemeal✓ Stove Pipes✓ Basic Tools✓ "Slice in Time"✓ Deficiencies✓ Retiring Backlog✓ "Worst First" | <ul style="list-style-type: none">• NEW PROCESS✓ Strategic✓ Proactive✓ Integrated and Systematic✓ Interdisciplinary✓ Advanced Systems✓ Continuous assessment✓ Function of Road✓ Systems Approach✓ Preventive Maintenance |
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CONCLUDING OBSERVATIONS

- ✓ A way of strategically managing our system in a cost-effective, efficient manner
- ✓ Investing rather than simply spending
- ✓ It's using data and technology in a proactive rather than reactive way
- ✓ It is a sensible way of conducting business

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